**Forecasting (No Seasonality)**

Consider the following sales data:

|  |  |
| --- | --- |
| Month | Sales (Xt) |
| 1 | 15.4 |
| 2 | 18.9 |
| 3 | 21.7 |
| 4 | 23.8 |
| 5 | 24.5 |
| 6 | 25.9 |
| 7 | 26.6 |

Regression: In Excel under the button “Data” click on Data Analysis. Sales are the y-variable (dependent) and Month is the x-variable (independent).

Exponential Smoothing

No trend: Ft+1=(1-α)Ft+αXt+1

With trend: Ft+1=(1-α)(Ft+Tt)+ +αXt+1; Tt+1=(1-β)Tt+β(Xt+1-Xt)